

<i>SERFF Tracking Number:</i>	<i>CNAC-126990757</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>Continental Casualty Company</i>	<i>State Tracking Number:</i>	<i>CNAC-126990757</i>
<i>Company Tracking Number:</i>	<i>10-00113</i>		
<i>TOI:</i>	<i>11.0 Medical Malpractice - Claims</i>	<i>Sub-TOI:</i>	<i>11.0007 Dentists - Oral Surgeons</i>
	<i>Made/Occurrence</i>		
<i>Product Name:</i>	<i>National Dental Program - Rates</i>		
<i>Project Name/Number:</i>	<i>National Dental Program - Rates/10-00113</i>		

## Filing at a Glance

Company: Continental Casualty Company		
Product Name: National Dental Program - Rates	SERFF Tr Num: CNAC-126990757	State: Illinois
TOI: 11.0 Medical Malpractice - Claims	SERFF Status: Closed-Filed	State Tr Num: CNAC-126990757
Made/Occurrence		
Sub-TOI: 11.0007 Dentists - Oral Surgeons	Co Tr Num: 10-00113	State Status:
Filing Type: Rate/Rule		Reviewer(s): Gayle Neuman
	Author: Robert Alonzo	Disposition Date: 05/04/2011
	Date Submitted: 01/18/2011	Disposition Status: Filed
Effective Date Requested (New): 02/15/2011		Effective Date (New): 05/01/2011
Effective Date Requested (Renewal): 02/15/2011		Effective Date (Renewal): 05/01/2011

State Filing Description:

## General Information

Project Name: National Dental Program - Rates	Status of Filing in Domicile:
Project Number: 10-00113	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 05/04/2011	
State Status Changed:	Deemer Date:
Created By: Robert Alonzo	Submitted By: Robert Alonzo
Corresponding Filing Tracking Number:	
Filing Description:	
Illinois Department of Financial & Professional Regulation	
Division of Insurance	
P&C Compliance Unit	
320 W. Washington Street	
Springfield, IL 62767-0001	

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545  
National Dental Program – Rates & Rules Filing

SERFF Tracking Number: CNAC-126990757 State: Illinois  
Filing Company: Continental Casualty Company State Tracking Number: CNAC-126990757  
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Product Name: National Dental Program - Rates  
Project Name/Number: National Dental Program - Rates/10-00113

Our File # 10-00113

To Whom It May Concern:

On behalf of Continental Casualty Company, we submit for your review and approval the attached revised rates & rules for use with our approved National Dental Program currently on file with your department.

Enclose for your review please find:

- revised CW manual and state pages;
- the Actuarial memorandum;
- and any required state filing transmittal forms or exhibits.

We propose that this filing be effective for policies written on or after February 15, 2011, or the earliest date permitted by your state.

If you should need additional information, please feel free to contact me.

Sincerely,  
Robert Alonzo

## Company and Contact

### Filing Contact Information

Robert Alonzo, State Filing Analyst  
40 Wall Street  
9th Floor  
New York, NY 10005

robert.alonzo@cna.com  
212-440-3478 [Phone]  
212-440-2877 [FAX]

### Filing Company Information

Continental Casualty Company  
40 Wall Street  
9th Floor  
New York, NY 10005  
(212) 440-3478 ext. [Phone]  
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CoCode: 20443  
Group Code: 218  
Group Name:  
FEIN Number: 36-2114545

State of Domicile: Illinois  
Company Type:  
State ID Number:

SERFF Tracking Number:	CNAC-126990757	State:	Illinois
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## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00		

## State Specific

Refer to our checklists prior to submitting filing

([http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)): YES

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: YES

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. : [http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): N/A

Medical Malpractice rates/rules may only be submitted in paper.: N/A

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": N/A

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: N/A

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## Disposition

Disposition Date: 05/04/2011

Effective Date (New): 05/01/2011

Effective Date (Renewal): 05/01/2011

Status: Filed

Comment:

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>
Continental Casualty Company	%	-1.800%	\$-12,341	181	\$688,047	0.000%	-77.800%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document (revised)	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Manual		No
Supporting Document	Exhibits		No
Supporting Document	ILF Exhibit Support		No
Rate	CW Manual		Yes
Rate (revised)	IL State Pages		Yes
Rate	IL State Pages		Yes

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**Note To Reviewer**

**Created By:**

Robert Alonzo on 05/04/2011 09:16 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/04/2011 09:45 AM

**Subject:**

Effective Date 5-1-2011

**Comments:**

Since our date as passed, we would like to use the effective of May 1, 2011.

Thank you

Robert Alonzo

*SERFF Tracking Number:* CNAC-126990757 *State:* Illinois  
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**Note To Filer**

**Created By:**

Gayle Neuman on 05/04/2011 07:47 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/04/2011 09:45 AM

**Subject:**

effective date

**Comments:**

The Department has now completed its review of this filing. Originally, Continental Casualty requested an effective date of February 15, 2011. Was the filing put into effect on February 15, 2011, or do you wish to have a different effective date?



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## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	F/U
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	-16.200%
<b>Effective Date of Last Rate Revision:</b>	12/21/2009
<b>Filing Method of Last Filing:</b>	F/U

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Continental Casualty Company	N/A	%	-1.800%	\$-12,341	181	\$688,047	0.000%	-77.800%

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## Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	CW Manual	pages 1 thru 21	Replacement	08-R2220
				CW Pages 09 2010 .pdf
	IL State Pages	pages 1 thru 8	New	
				IL State Pages 0910 v2-dated 3 29 11.pdf

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. APPLICATION OF MANUAL RULES**

- A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith shall govern in all cases not specifically provided for herein.
- C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

**II. POLICY TERMS**

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

**III. PREMIUM COMPUTATION**

- A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for less than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

**IV. FACTORS OR MULTIPLIERS**

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

**V. Reserved for future use.**

**VI. WHOLE DOLLAR RULE**

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount; or
- B. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**COMPANY PAGES  
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**VII. ADDITIONAL PREMIUM CHARGES**

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.
- C. Waive additional premium of \$15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

**VIII. RETURN PREMIUM**

- A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

**IX. COVERAGES**

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability  
Professional Liability, General Liability, and Property  
Professional Liability only  
General Liability and Property  
Property Only  
Non-Student Dental Board Exam  
Student Dental  
Volunteer Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

- A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

- 1. Special Extra Expense (HIV);
- 2. Defense Coverage - Dental Professional Licensing Board; and
- 3. Employment Practices Liability - \$25,000 per Claim/\$25,000 Aggregate Defense Coverage\*

\* Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

- 4. Defendant's Reimbursement - \$500 per day, and \$5,000 per suit

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**B. Business Liability on an occurrence basis.**

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - \$500,000 per occurrence;
3. Medical Payments Coverage - **\$10,000** per person/\$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - \$1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

**C. Property on an occurrence basis.**

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

**D. Non-Student Dental Board Exam on a **claims-made** basis.**

Required coverage under board exam is Professional Liability.

**E. Student Dental on a **claims-made** basis.**

Required coverage under student dental is Professional Liability.

**X. BLACK BAG COVERAGE - Equipment Floater**

Black Bag Coverage may be purchased according to the following table:

\$100 premium for \$4,000 limits.

Higher limits may be purchased for \$15 per \$1,000 in values.

**XI. PACKAGING OF COVERAGES**

If Professional Liability coverage is purchased in conjunction with Property **or Black bag** coverage, package discount factors shall be applied. **However, the package discount factors shall not be applied to Student Dental or Board Exam premium.** The package discount factors are stated on the respective State Rate Page.

**XII. POLICY CANCELLATIONS**

- A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.
- B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.
- C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

**COMPANY PAGES  
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DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage**

The premium for the policy shall be the sum of the applicable charges developed below.

- A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

Class	Description	Code No.
I.	Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. Also, dental radiologists are included.	80211 & 80253
III.	All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply.	80210
IV.	Dental School Faculty – Teaching dentists and graduate students with no intramural practice.	80213
VI.	Professional Corporations or Partnerships	80999
IX.	Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia.	90100
X.	Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia.	90101
XI.	Volunteer Dentists providing dental services and receiving no remuneration.	72990
XII.	Volunteer Oral Surgeons providing dental services and receiving no remuneration.	72991

- B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.
2. If the dentist has been insured under a "claims-made" policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
  - a. determine the number of years in which the dentist was covered under such claims-made policy(ies);
  - b. determine the number of years in which the dentist was uninsured;

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- c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
- d. the sum of years developed in c. above shall be the Years of Prior Exposure. The Table is entered at the total prior Years of Exposure, plus one.

The factors in the following Table shall be applied to the full time Class I., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

Classes	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I, III, IX, X	0.29	0.54	0.73	0.81	0.90

- C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## **II. ADDITIONAL CLASSIFICATIONS**

### **A. New Dentist**

A "new" dentist is defined as one of the following who enters full-time private or group practice:

- i. a student who has completed their training within the previous twelve months from license date
- ii. a military dentist within twelve months of honorable military discharge
- iii. a foreign dental school graduate who has not previously practiced in the US or its territories
- iv. a licensed dentist who has only previously practiced in the public service sector.

The following rating system will apply:

First Year of Practice (for new graduates only, defined in part i above):

Coverage for dentists in their first year of practice will be provided on both a claims-made and occurrence basis. The rates below are based on 1,000,000/3,000,000 limits. Standard Increased Limit Factors apply for higher limits. Step factor and any other credits or discounts will not apply.

First Year of Practice Rate				
Type	Classes			
	I	III	IX	X
Claims-Made	\$50	\$300	\$175	\$350
Occurrence	\$100	\$600	\$350	\$700

First Year of Practice (for all other new dentists, defined in parts ii, iii, and iv above):

75% credit

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Subsequent Years of Practice (for all new dentists):

60% credit for the second year in practice

25% credit for the third year in practice

10% credit for the fourth year in practice

**B. Corporations/Partnerships/Associations**

When all members of a corporation are insured by CNA, it shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

- a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or
- b. on a separate limit of liability basis. The limit of liability shall be equal to the limits provided to each individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

When all members of a corporation are not insured by CNA, it shall be permissible to provide coverage for a corporation, partnership or association on a separate limit of liability basis. The charge will be 25% of the mature claims made or occurrence rate as appropriate.

**C. Additional Insured**

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at no additional charge.

**D. Disability/Leave of Absence**

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include active duty in the military and time to enhance the practitioner's education, but, does not include vacation time. Active duty military on deployment will receive a 100% reduction in their premium and a suspension of coverage for the deployment period.

**E. Part Time**

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply when the first year new dentist premium is charged.

**F. Professional Societies**

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

<u>Rating Basis</u>	<u>Premium</u>
Insured Society	\$255.00 Flat Charge
Component Society (member society of insured society)	\$ 51.00 Flat Charge



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G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

H. Volunteers

Coverage is written on an occurrence only basis. **The rates listed below are for minimum limits. Standard Increased Limit Factors apply for higher limits.**

Class XI	Volunteer Dentists	\$ 200
Class XII	Volunteer Oral Surgeons	\$ 1,200

I. Dental Lab Services for Non-Patients

**When coverage is afforded for lab services provided to other than the insured's patients, a charge of \$100 will be made for minimum limits. Standard Increased Limit Factors apply for higher limits.**

**III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists**

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

**IV. MINIMUM LIMITS OF LIABILITY**

Minimum limits of liability under this program shall be as follows:

Professional Liability:

1. Individual Practice:

a. Claims-Made: \$1,000,000 each claim  
\$3,000,000 aggregate

b. Occurrence: \$1,000,000 each claim  
\$1,000,000 aggregate

2. Dental Societies:  
(Claims-Made) \$1,000,000 each claim  
\$3,000,000 aggregate

3. Independent Contractor: Equal to above as appropriate

**V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY**

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

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	<u>Credit</u>	<u>Debit</u>
<u>Procedure Mix</u>	0 – 25%	0 – 25%
Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.		
<u>Exposure Modification</u>	0 – 25%	0 – 25%
Applicable to those insureds who have an increased or reduced exposure.		
<u>Unusual Risk Characteristics</u>	0 – 25%	0 – 25%
B. <u>Loss Prevention / Risk Management</u>	5 – 10%	XXX
A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.		
C. <u>Experience Rating</u>		
Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.		
Such debits, if applied, shall apply on a one year basis and will be subject to annual review.		
D. <u>Group Discounts</u>		
A single group practice policy issued to ten or more dentists is eligible for a premium discount based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduced administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discount is applicable:		

<u>Group Size</u>	<u>Premium Credit</u>
10+	15%

**VI. CHANGE OF CLASSIFICATION**

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

- A. both the prior and current classification falls within the same class;
- B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;

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- C. the practitioner changed classifications at any time while insured under occurrence coverage; or
- D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

- A. Calculate the at-limits **mature** premium appropriate for:
  - 1. the previous classification according to the rates and rules contained herein; and
  - 2. the premium appropriate for the current classification.
- B. If the at-limits **mature** premium for the current classification:
  - 1. is less than the premium for the previous classification, the dollar amount of difference **multiplied by the appropriate conversion factor in the following table** is the charge to be applied; or

<b>Years of Prior Claims-Made Coverage</b>	<b>Conversion Factors</b>
1	0.24
2	0.37
3	0.42
4 or more	0.45

- 2. exceeds the premium for the previous classification, there shall be no charge.
- C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

Discount

100%	10 consecutive years of CNA coverage
90%	9 consecutive years of CNA coverage
80%	8 consecutive years of CNA coverage
70%	7 consecutive years of CNA coverage
60%	6 consecutive years of CNA coverage
50%	5 consecutive years of CNA coverage
40%	4 consecutive years of CNA coverage
30%	3 consecutive years of CNA coverage
20%	2 consecutive years of CNA coverage
10%	1 full year of CNA coverage
0%	Less than 1 full year of CNA coverage

**VII. INCREASED LIMITS OF LIABILITY**

Higher limits on **claims-made** policies may be elected up to a maximum liability limit of \$5,000,000 per claim/\$8,000,000 aggregate on the following basis:

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Limits of Liability	Increased Limit Factor	
	Classes	
	<u>All Other</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/3,000,000	.160	.190
\$2,000,000/4,000,000	.176	.206
\$2,000,000/6,000,000	.204	.234
\$3,000,000/3,000,000	.260	.300
\$3,000,000/6,000,000	.308	.348
\$4,000,000/4,000,000	.325	.375
\$5,000,000/5,000,000	.375	.425
\$5,000,000/8,000,000	.424	.474

Rates are based off of the \$1,000,000/1,000,000 rates.

Higher limits on **occurrence** policies may be elected up to a maximum liability limit of \$2,000,000 per claim/**\$6,000,000** aggregate on the following basis:

Limits of Liability	Increased Limit Factor	
	Classes	
	<u>All Other</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/2,000,000	.150	.180
<b>\$2,000,000/6,000,000</b>	<b>.204</b>	<b>.234</b>

Rates are based off of the \$1,000,000/1,000,000 rates.

**VIII. EXTENDED REPORTING PERIOD COVERAGE** (Claims-Made Coverage only)

- A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:
1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.
  2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.
  3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.
  4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

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5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.
7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.
8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.
9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

Years of Prior Claims-Made Coverage	Installment Factors			Prepaid Factors
	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	
1	.31	.23	.30	.79
2	.51	.35	.46	1.23
3	.61	.49	.46	1.45
4 or more	.73	.49	.46	1.57

- B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.
- C. Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.
- D. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

**IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)**

- A. The policy may be extended to provide Prior Acts Coverage as follows:
  1. The Prior Acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy, nor shall limits of liability exceed those of the occurrence policy to which the Prior Acts endorsement shall be applied.
  2. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table shown to the current rate under this policy for limits of \$1,000,000/\$1,000,000.

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3. If the limit of liability under this coverage is less than \$1,000,000/\$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.
- B. The premium will be charged annually, but calculated in advance:
1. Determine the current premium under this policy for limits of \$1,000,000/\$1,000,000.
  2. Enter the table at the appropriate Prior Acts Period.
  3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

Prior Acts Period	Reporting Period			Prepaid Factors
	1st year	2nd year	3rd year	
1 year prior	.28	.25	.22	.71
2 years prior	.45	.41	.32	1.11
3 years prior	.55	.44	.40	1.31
4 or more years prior	.62	.45	.42	1.41

4. Apply the appropriate Decreased Limits Factor, if applicable:

<u>Decreased Limits (in \$000s)</u>	<u>Factor</u>
\$100 / \$300	.449
200 / 600	.590
250 / 750	.638
300 / 800	.682
300 / 900	.700
500 / 750	.725
400 / 900	.760
500 / 1,000	.816
1,000 / 1,000	1.000

C. **Prior Acts for Employment Practices Liability Indemnity & Defense Coverage**

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is \$30.

**X. LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

**XI. CONSULTING SERVICE LIABILITY**

Consulting Service Liability coverage is included on a shared limit basis at no additional cost.

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**I. BUSINESS LIABILITY - (General Liability)**

**A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$175.00
Each Additional Office:	\$122.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**B. General Liability coverage written in conjunction with Professional Liability coverage only**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$50.00
Each Additional Office:	\$39.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**C. Additional Insured**

An **additional insured** may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at no additional charge.

**II. LIMITS OF LIABILITY – (General Liability)**

The rates listed above are for limits of \$1,000,000 (each claim) / \$2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the \$1M/2M rate).

Individual Practice:

Increased Limit	Increased Limit Factor
\$1M/2M	1.000
\$1M/3M	1.011
\$2M/2M	1.071
\$2M/3M	1.085
\$2M/4M	1.098
\$2M/6M	1.124
\$3M/3M	1.160
\$3M/6M	1.202
\$4M/4M	1.240
\$5M/5M	1.320
\$5M/8M	1.351

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**III. ERISA FIDUCIARY AND EMPLOYEE BENEFITS LIABILITY INSURANCE**

This coverage may be provided at the following limits and rates:

<u>Limit</u>	<u>Premium</u>
\$100,000/100,000	\$132
\$250,000/250,000	\$162
\$500,000/500,000	\$200
\$750,000/750,000	\$227
\$1,000,000/1,000,000	\$250

**IV. FIRE AND WATER LEGAL LIABILITY**

Fire and Water Legal Liability with a limit of \$500,000 is provided at no charge. Increased limits can be purchased using the following rate:

<u>Rate</u>	<u>Description</u>
\$125.00	Per \$500,000 of Excess Limit

**V. HIRED AUTO PHYSICAL DAMAGE**

Hired Auto Physical Damage coverage may be purchased. The flat rate is \$135 for a coverage limit of \$75,000.



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**I. CALCULATION OF PREMIUMS - Property Coverages**

- A. The premium shall be the sum of the applicable charges developed below.
- B. The premium for coverage shall be determined by applying the following to the limits of liability:
1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

    - a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).
    - b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.
  2. Blanket Practice Personal Property
    - a. Limits of Liability for this coverage shall be calculated as the sum of the values for:
      - i. Contents at the premises;
      - ii. Property Off Premises;
      - iii. Accounts Receivable and Valuable Papers including x-rays and charts, we will automatically provide \$25,000 of coverage for these items.
    - b. Base rate shall be:
      - i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's construction code,
      - ii. Multiplied by the appropriate protection class factor.
  3. Base rates for Building and/or Blanket Practice Personal Property contemplate a \$250 fixed dollar deductible with no Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

Fixed Dollar Deductible	Windstorm or Hail Deductible			
	None	1%	2%	5%
250	1.00	0.98	0.97	0.96
500	0.96	0.94	0.93	0.92
1,000	0.88	0.87	0.86	0.85
2,500	0.82	0.81	0.80	0.79
5,000	0.72	0.71	0.70	0.69
10,000	0.57	0.56	0.55	0.54

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

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Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium	Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium
0.30%	0.45%	2.5%	3.75%
0.40%	0.60%	3.0%	4.50%
0.50%	0.75%	3.5%	5.25%
1.00%	1.50%	4.0%	6.00%
1.50%	2.25%	4.5%	6.75%
2.00%	3.00%	5.0%	7.50%

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

5. Time Element Coverages - Practice Income, Rents, Extra Expense

a. Practice Income is provided on:

- i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthening the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge, where the total aggregate limit is the daily coverage limit times the number of coverage days.
- ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.
- iii. **Five percent of the Value Daily Limit subject to a \$100 minimum** will be charged in order to provide coverage for the first 24 hours of the loss.

b. Rents Coverage

Charges will be determined by applying the following to the limit of liability:

- i. the applicable building rates; and
- ii. modified by a factor of .55.

c. Extra Expense Coverage

Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

6. **A flat premium of \$57 will be charged to each policy.**

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C. Optional Coverages

1. Dishonesty Coverage

- a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of \$25,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.
- b. Employee Dishonesty Insurance will be charged on a "per policy" basis.
- c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional \$1,000 of coverage.

Limits of Liability		Premium
<u>Money / Securities</u>	<u>Pension / Welfare</u>	
50,000	25,000	245.00
75,000	25,000	332.00
100,000	25,000	425.00
Increased Limits – Pension / Welfare (per \$1,000)		\$1.50

2. Increased Theft coverage for Precious Metals, beyond the \$2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be \$0.60 per \$100 of value.
3. Increased Values of Signs not attached to the Building may be purchased **at a rate of \$6.00 per \$100 of value**. Value of signs attached to the building shall be included in the valuation of the Building.
4. Ordinance or Law Building Coverage - The first \$100,000 is provided at no charge. Additional limits may be purchased according to the following:
  - a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.
  - b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per \$100.
5. Ordinance or Law Tenant Improvements and Betterments Coverage with a limit of \$100,000 is provided at no charge.
6. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be \$0.50 per \$100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be \$0.75 per \$100.00 of coverage.
7. **Increased Values of Fine Arts Coverage may be purchased at a rate of \$1.65 per \$100 of value.**

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**8. Loss Assessment**

This coverage will pay for the Insured's share for any assessment charged as a result of a direct physical loss or damage caused by a Covered Cause of loss to the property listed on the schedule.

<u>Limit</u>	<u>Rate</u>
\$1,000	\$6.00
\$5,000	\$10.00
\$10,000	\$13.00

For limits greater than \$10,000, use the chart below to calculate the excess premium and then add the \$10,000 charge.

<u>Rate</u>	<u>Description</u>
\$2.00	Per \$5,000 of Limit in excess of \$10,000

9. Back Up of Sewer or Drain with a limit of \$25,000 is provided at no charge. Increased limits can be purchased using the following rates:

<u>Total Limit (includes Basic Limit)</u>	<u>Per Location Charge</u>
\$50,000	\$40
\$100,000	\$80

When a total limit greater than \$100,000 is purchased, use the formula below to calculate the premium.

$$(\text{Total Limit} - 25,000) / 1000 \times 1.07$$

10. HVAC & Dental Equipment Breakdown coverage may be purchased. The rate is \$0.20 per \$1,000 limit.

11. Package endorsements are available at a flat rate.

PPP Gold	\$150
PPP Platinum	\$225

**II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE**

This Plan shall be applied after the application of all other rating procedures.

- A. Limitations: This Plan may be applied to all property coverages except those listed below:

Employee Dishonesty Coverage  
Welfare and Pension Plan Coverage  
Base Loading  
PPP Gold Endorsement  
PPP Platinum Endorsement  
Flat Premium  
Equipment Breakdown Coverage

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**B. Rating Procedure**

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

<u>RANGE OF RISK CHARACTERISTICS</u>	<u>MODIFICATIONS</u>		
	<u>Credits</u>		<u>Debits</u>
1. LOCATION Accessibility, congestion and exposures	10%	to	10%
2. BUILDING FEATURES Age, condition, and unusual structural features	10%	to	10%
3. PREMISES AND EQUIPMENT Care, condition, and type	10%	to	10%
4. PROTECTION Not otherwise recognized	10%	to	10%

**III. PACKAGING OF COVERAGES**

If Property coverage is purchased in conjunction with Professional Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page. **The package discount factor is eligible to be applied to all property coverages except those listed below:**

Increased Limits on Fine Arts  
Loss Assessment  
Builders Risk  
PPP Gold Endorsement  
**PPP Platinum Endorsement**  
Flat Premium

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**BOARD EXAM COVERAGE**

- A. It is permissible to provide restricted coverage for individuals who sit for Board Exams, but are not students (e.g., military personnel, dental graduates, or other dentists without professional liability coverage that are required to take a state board exam).
- B. Coverage provided to eligible insureds shall:
1. be limited to Dental Professional Liability only;
  2. be provided on an **claims-made** basis;
  3. apply only for the length of time for which the person is eligible;
  4. have maximum limits of liability in the amounts of :
- |             |            |
|-------------|------------|
| \$1,000,000 | each claim |
| \$3,000,000 | aggregate  |
- C. Policies will be issued on an annual basis.
- D. Class Description

<u>Class</u>	<u>Description</u>	<u>Code No.</u>
VIII.	Any individual not currently enrolled in an accredited institution, but while a candidate for certification and/or licensure as a dentist.	80221

- E. Premium

<u>Class</u>	<u>Premium</u>
VIII.	<b>\$30.00</b>

Premium is fully earned at inception.

- F. **PRIOR ACTS COVERAGE**

Prior Acts Coverage shall not be provided under this program.

- G. **EXTENDED CLAIM REPORTING PERIOD COVERAGE**

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge.

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## I. APPLICATION OF MANUAL

- A. This manual provides rules and premium, applicable to Dental Students.

## II. POLICY TERM

- A. The policy term shall be continuous until canceled.
- B. Individual Student Certificates will be written for a term of one year, and, automatically extended at no charge during the expected graduation year for up to a maximum of 6 months from the date of graduation in the event that certification or license is not immediately obtained.

### III. PREMIUM COMPUTATION

Compute the premium at policy inception and subsequently as the sum of the premiums represented by the number of Certificates being issued, using the rules, rates and rating plans in effect at the time.

#### IV. CANCELLATION

Premium for individual Certificates is considered as fully earned and no return premium shall be granted.

## V. COVERAGE

- A. Coverage under the Certificate shall be as described in the Policy, with the issuance of summarized Certificates to the Insured Dental Student.
- B. Coverage under this program is Professional Liability on a Claims-Made basis.

## VI. PRIOR ACTS COVERAGE

Prior Acts Coverage shall not be provided under this program.

## VII. EXTENDED CLAIM REPORTING PERIOD COVERAGE

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge. The aggregate limit shall be separate from and equal to the aggregate limit provided by the Certificate.

## VIII. LIMITS OF LIABILITY

Limits of Liability for this program shall be as follows:

Each Certificate	\$1,000,000 Each Claim
	\$3,000,000 Aggregate

## IX. CERTIFICATE PREMIUM

<u>Class</u>	<u>Premium</u>
Dental Student	\$25.00

## X. CLASS DESCRIPTION

Any student who is in the process of completing their training in dentistry while enrolled in an accredited institution.

Code No.

80225

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**I. Amended Rules - General**

A. Rule XIII is added:

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and
- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;
- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction

**II. Amended Rules - General Liability (GL)**

Reserved for future use.



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**IV. Amended Rules – Professional Liability (PL)**

- A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

	<u>Debit</u>
No claims during the experience period:	0%
One claim during the experience period:	
that occurred in the 5 <sup>th</sup> previous year:	5%
that occurred in the 4 <sup>th</sup> previous year:	10%
that occurred in the 3 <sup>rd</sup> previous year:	15%
that occurred in the 2 <sup>nd</sup> previous year:	20%
that occurred in the 1 <sup>st</sup> previous year:	25%
More than one claim during the experience period:	Refer to Company

A claim is defined as paid indemnity or indemnity reserve in excess of \$2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

- B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

- C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

- D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

- E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

- F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

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- G. Rule V., SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY, A. Schedule Rating and B. Loss Prevention / Risk Management have been deleted and replaced by the following:

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

	<u>Credit</u>	<u>Debit</u>
<u>Procedure Mix</u>	0 – 25%	0 – 25%

Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.

<u>Exposure Modification</u>	0 – 25%	0 – 25%
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Applicable to those insureds who have an increased or reduced exposure.

<u>Unusual Risk Characteristics</u>	0 – 25%	0 – 25%
-------------------------------------	---------	---------

B. <u>Loss Prevention / Risk Management</u>	7.5%	XXX
---	------	-----

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

V. **Territorial Definitions – Professional Liability (PL)**

Territory I:	Cook County
Territory II:	Dupage, Kane, Lake and Will Counties
Territory III:	Madison County
Territory IV:	Remainder of State

VI. **Rates – Professional Liability (PL)**

A. Professional Liability

**Occurrence Rates at \$1M/\$1M Limits**

Class	Terr I	Terr II	Terr III	Terr IV
I	\$3,236	\$2,081	\$2,825	\$1,978
III	17,647	11,350	15,411	10,788
IV	200	200	200	200
IX	11,325	7,284	9,889	6,922

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X	22,649	14,566	19,778	13,845
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**B. Employment Practices Liability – Defense Only**

The annual charge for this coverage will be \$60 per each named insured having separate \$25,000 limits of liability.

Corporations will share the \$25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the \$60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the \$60 defense charge.

**Employment Practices Liability – Indemnity & Defense**

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

Combined Indemnity & Defense <u>Limit of Liability</u>	<u>Flat Rate for First 10 Employees</u>
\$ 25,000	\$ 235
\$ 50,000	\$ 270
\$ 75,000	\$ 305
\$100,000	\$ 355
\$250,000	\$ 494
\$500,000	\$ 586
\$750,000	\$ 622
\$1,000,000	\$ 657

\$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

**C. Extended Reporting Period Coverage for Employment Practices Liability**

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

- A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

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"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

- a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

Bond	Jackson	Marshall	St. Clair
Bureau	Jefferson	Menard	Saline
Christian	Knox	Mercer	Sangamon
Clinton	LaSalle	Montgomery	Tazewell
Douglas	Logan	Peoria	Vermilion
Franklin	McDonough	Perr	Washington
Fulton	Macoupin	Putnam	Williamson
Gallatin	Madison	Randolph	
Grundy	Marion	Rock Island	

- b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

- a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;
- b. Coverage for Time element loss;
- c. Limits of Liability in excess of \$350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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## 3. Premiums

- a. Premium for Mine Subsidence shall be shown separately.
- b. Annual premiums per structure are as follows:

<u>Coverage Limit</u>	<u>Frame</u>	<u>Other than Frame*</u>
\$10,000 or less	\$20.00	\$26.00
10,001 to 20,000	23.00	30.00
20,001 to 30,000	26.00	33.00
30,001 to 40,000	30.00	36.00
40,001 to 50,000	33.00	40.00
50,001 to 60,000	36.00	43.00
60,001 to 70,000	40.00	46.00
70,001 to 80,000	43.00	50.00
80,001 to 90,000	46.00	53.00
90,001 to 100,000	50.00	56.00
100,001 to 110,000	53.00	59.00
110,001 to 120,000	56.00	63.00
120,001 to 130,000	59.00	66.00
130,001 to 140,000	63.00	69.00
140,001 to 150,000	66.00	73.00
150,001 to 160,000	69.00	76.00
160,001 to 170,000	73.00	79.00
170,001 to 180,000	76.00	83.00
180,001 to 190,000	79.00	86.00
190,001 to 200,000	83.00	89.00
200,001 to 210,000	86.00	92.00
210,001 to 220,000	89.00	96.00
220,001 to 230,000	92.00	99.00
230,001 to 240,000	96.00	102.00
240,001 to 250,000	99.00	106.00
250,001 to 260,000	102.00	109.00
260,001 to 270,000	106.00	112.00
270,001 to 280,000	109.00	116.00
280,001 to 290,000	112.00	119.00
290,001 to 300,000	116.00	122.00
300,001 to 310,000	119.00	125.00
310,001 to 320,000	122.00	129.00
320,001 to 330,000	125.00	132.00
330,001 to 340,000	129.00	135.00
340,001 to 350,000	132.00	139.00

- c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

\* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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- B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, B., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

- C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

**VIII. Territorial Definitions – Property**

Territory I: 606XX (Chicago)  
Territory II: 607XX (Chicago - South Suburban)  
Territory III: 600XX - 604XX (Chicago North and West Suburban)  
Territory IV: 620XX and 622XX (East St. Louis)  
Territory V: 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois)  
Territory VI: Remainder of State

**IX. Rates - Property**

- A. Blanket Practice Personal Property:

Construction (Code)	TER I	TER II	TER III	TER IV	TER V	TER VI
Frame (1)	0.419	0.374	0.396	0.374	0.351	0.396
Joisted Masonry (2)	0.351	0.309	0.330	0.309	0.296	0.330
Non-Comb (3) or Masonry						
Non-Comb (4)	0.210	0.186	0.198	0.186	0.176	0.198
Mod Fire Res (5) or Fire Res (6)	0.210	0.186	0.198	0.186	0.176	0.198

- B. Building:

Construction (Code)	TER I	TER II	TER III	TER IV	TER V	TER VI
Frame (1)	0.165	0.149	0.157	0.149	0.140	0.157
Joisted Masonry (2)	0.140	0.124	0.132	0.124	0.116	0.132
Non-Comb (3) or Masonry						
Non-Comb (4)	0.083	0.075	0.083	0.075	0.066	0.083
Mod Fire Res (5) or Fire Res (6)	0.083	0.075	0.083	0.075	0.066	0.083

Note: For statistical reporting purposes, the protection class code must be included in the application.

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C. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of \$65 per policy.

**X. Package Discount Factors**

A. Property and General Liability: 0.89  
Professional Liability: 0.86

B. This factor is not applicable to:

1. Mine Subsidence
2. Base Loading for Building and Blanket Practice Personal Property

**XI. Protection Class Multipliers**

Protection Class	Multiplier
1	0.830
2	0.850
3	0.870
4	0.950
5	1.000
6	1.030
7	1.200
8	1.310
9	1.400
10	2.080

# Continental Casualty Company

## Dental Professional Program

### Actuarial Memorandum

Illinois

Filing # 10-00113

With this filing, Continental Casualty Company ("CNA") proposes a number of changes to its Dental Professional Program. The overall impact of the professional liability changes is -0.3%. The overall impact of the property changes is -5.2%. No general liability changes had a rate impact. All changes are itemized below:

#### **Changes to the Countrywide Pages:**

##### Minimum Premium

The minimum premium rule is being deleted from page CCC-DENTAL-GENERAL-1 of the countrywide manual pages. There will no longer be a required minimum premium. Due to the very small amount of policies affected by the minimum premium countrywide, we feel it is no longer necessary to enforce a minimum. The references to minimum premium under the sections Additional Premium Charges (VII.B.) and Return Premium (VIII.E.) on page CCC-DENTAL-GENERAL-2 of the countrywide manual pages were also deleted for consistency.

##### Required Business Liability Coverage on Occurrence Basis

The per person limit for Medical Payment Coverage is increasing from \$5,000 to \$10,000 on page CCC-DENTAL-GENERAL-3. There is no rate impact.

##### Board Exam Coverage

We are proposing claims-made coverage instead of occurrence and the premium will decrease from \$75 to \$30. Refer to pages CCC-DENTAL-GENERAL-3 & CCC-DENTAL-BOARD-1. Since this coverage cannot be renewed, there is no rate impact.

##### Packaging of Coverages

We are updating the verbiage of the Packaging of Coverage section of the countrywide manual on page CCC-DENTAL-GENERAL-3. Going forward, when combined with Professional Liability coverage, the package discount factor will apply to Black Bag coverage. The package discount factor will not apply to Student or Board Exam coverage.

##### Oral Surgeon Volunteer

We are adding a new class (XII) for Volunteer Oral Surgeons. This class will be for oral surgeons who volunteer and receive no remuneration. Minimum limits will cost \$1,200 and the policy will be written on an occurrence basis. This price is based on our \$200 volunteer dentist policy (class XI), which was multiplied by our average oral surgeon to dental relativity of 6. Wording is also being added to clarify the limits provided for the \$200 base rate previously filed. These changes are reflected on pages CCC-DENTAL-PL-1 and 4 of the countrywide manual pages.

##### New Dentist Discount

The format and rating structure of the New Dentist Discount section has changed. We are going to charge First Year, new graduate dentists a specific rate (based on class). We are also updating the discount for the subsequent years of practice. The procedures performed by newly licensed dentists are typically of lower risk severity than more experienced dentists. Newly licensed dentists lack the experience to embark on more complex dental cases and procedures and customarily limit their procedure mix. As they gain experience over time, their comfort level increases and they begin to expand the procedures they perform. Our newly licensed rate of \$50 (for Claims-Made Class I) and our new dentist discount scale reflect the nature of practice changes that new dentists typically go through in the first 4 years of their careers. The rate for occurrence policies will be calculated with a relativity of 2 since these policies have more exposure. Please see pages CCC-DENTAL-PL-2 and 3 for rate and credit information and Rate Impact Exhibit, Sheet I for state impact.



Since the New Dentist Discount is no longer a credit, we have also updated the wording of the Part Time credit in section II.E on page CCC-DENTAL-PL-3.

#### Corporate Liability Coverage

Corporate liability coverage will now be available to corporations/partnerships/associations whose members are not all insured with CNA. Coverage will be on a separate limit of liability basis and the charge will be 25% of the mature claims made rate. To compare, Fortress is filed at 20% for this same coverage. This change is reflected on page CCC-DENTAL-PL-3 of the countrywide manual pages.

#### Disability/Leave of Absence

We have updated our Leave of Absence definition to include those on active duty in the military. We have also stated that those deployed will receive a 100% reduction in premium and a suspension of coverage. Please see CCC-DENTAL-PL-3 of our countrywide pages for details.

#### Dental Lab Services for Non-Patients

This optional coverage is being added at \$100 for \$1M/\$1M occurrence limits. Standard increased limit factors will apply. Refer to page CCC-DENTAL-PL-4.

#### Classification Conversion Charge

We are updating the formula used when a classification change occurs mid-term which is meant to lower the premium because our old process caused unreasonably high premium in a few rare cases. The conversion factors used are the result of a reporting pattern analysis. A 3.25% interest rate was used in discounting. See page CCC-DENTAL-PL-6 for details. There is no associated rate impact because renewals are not affected by this charge.

#### Increased Limits Factors

We have updated the class label on the ILF table to be "All Other" instead of "Class I & IX." Any class which states that standard ILFs apply will use the "All Other" column. Please see page CCC-DENTAL-PL-7 for changes.

#### PL Occurrence Limits

\$2,000,000/\$6,000,000 limits will now be offered for occurrence policies. The increased limit factors are taken from our claims-made section. Refer to page CCC-DENTAL-PL-7.

#### Extended Reporting Period Coverage

A section label was mistakenly left off of one of the EPL sections in the Extended Reporting Period Coverage part of the countrywide manual pages on page CCC-DENTAL-PL-8. We have updated the pages to add label C. to the second-to-last paragraph and change the last paragraph's label to D (previously C). No actual changes were made to the rules and there will be no impact as a result of this.

#### Decreased Limits Factors

Decreased limit factors for applicable Prior Acts coverage will now be offered for 300,000/900,000 and 500,000/750,000 limits. The new factors are reflected on page CCC-DENTAL-PL-9 of the countrywide manual pages. Since these factors are new, there will be no associated rate impact. We calculated our factors based off of Cincinnati's filed factors. Please see Decreased Limits Factors Exhibit for supporting information.

#### Additional Insured – General Liability

We are changing the word "employer" to "additional insured" on page CCC-DENTAL-GL-1 of the countrywide manual pages. This is just a clarification and will have no rate impact.

#### Fire and Water Legal Liability

We are adding the rate for increased limits for Fire and Water Legal Liability Coverage. The rate will be \$125 per \$500,000 of limit in excess of our basic limit of \$500,000. For example, if a policyholder wants to purchase a limit of \$3,000,000, the charge would be \$625.

$$(3,000,000 - 500,000) / (500,000) = 5 \quad 5 \times \$125 = \$625$$

We are deleting the previously filed specific rates for \$750,000 and \$1,000,000 limits because the new rating

structure produces the same rates. Please see Fire and Water Legal Liability Exhibit for support.

#### Hired Auto Physical Damage

This is a new coverage we will offer for a flat rate of \$135 for a coverage limit of \$75,000. This rate was taken from CNA's admitted Small Business program called "CNA Connect." Support for the rate is as follows: Our proposed price for this coverage began with an analysis of the pricing for a similar coverage available on the Commercial Auto product for CNA. The Auto policy would average a \$100 charge for this coverage. However, our proposed coverage will be offered on a primary basis whereas the Auto policy's coverage is excess over any other coverage. For this reason, we judgmentally selected a higher charge of \$135.

#### Business Income Waiting Period

Our basic policy does not cover loss of income in the first 24 hrs. However, insureds can pay a premium to buy back that coverage. We are proposing a new pricing algorithm for this premium. The previously filed algorithm was a percent of practice income premium. We now feel it is more appropriate to use the Value Daily Limit, as coverage is directly tied to that limit. A \$100 minimum will also apply. We currently don't have any Illinois policies with this coverage so there will be no rate impact. Refer to page CCC-DENTAL-PROPERTY-2, section 5.a.iii.

#### Business Income Limit

The \$1M limit was deleted from our form. Therefore, the option of removing this limit is not necessary. This rule has been deleted from page CCC-DENTAL-PROPERTY-2.

#### Flat Rate Charge for Miscellaneous Coverages

This charge applies to every property policy and is increasing from \$25 to \$57. The \$32 increase is to pay for coverage enhancements to the standard policy. Since the policyholder is now receiving more coverage, there is no rate impact associated with this change. The coverage enhancements are as follows:

Coverage	Current Limits	Proposed Limits
Computer Fraud	\$0	\$10,000
Business Interruption & extra expense resulting from dependent properties	\$0	\$10,000
Business Interruption & extra expense – newly acquired	\$250,000 for 180 days	\$500,000 for 180 days
Outdoor property damage from wind/hail/etc	\$0	\$10,000
Property of Others	\$25,000	\$50,000
Fine Arts (per item/agg limit)	\$1,000 /\$25,000	\$5,000/\$25,000

Also, this line item in the rate manual has moved sections. Previously, it was #12 under "Optional Coverages" section which didn't make sense since it is not optional. Now it is found as #6 of the "Calculation of Premiums – Property Coverages" section.

#### Signs

The current Signs coverage in section I.C.3. on page CCC-DENTAL-PROPERTY-3 mentions coverage being available but did not list the price. We are updating this section to include the rate.

#### Optional Coverages

We are adding Increased Values of Fine Arts Coverage and Loss Assessment Coverage to section I.C. on page CCC-DENTAL-PROPERTY-4 of the countrywide manual pages. These coverages are not new; they are just being added to the manual pages.

#### Back Up of Sewer and Drain

We are adding the rate for increased limits for Back Up of Sewer and Drain Coverage. After \$100,000, the rate will be \$1.07 per \$1,000 of limit in excess of our basic limit of \$25,000. For example, if a policyholder wants to purchase a limit of \$300,000, the charge would be \$294.

$$(300,000 - 25,000) / (1,000) = 275 \quad 275 \times \$1.07 = \$294$$

Please see Back Up of Sewer and Drain Exhibit for support.

#### Equipment Breakdown Coverage

A new rating process is being implemented that will reduce premium for this coverage. The new rate will be \$0.20 per \$1,000 limit on page CCC-DENTAL-PROPERTY-4. See Rate Impact Exhibit, Sheet II for rate impact.

#### Gold & Platinum Endorsements

These two endorsements enhance the standard policy for a variety of coverages.

- The Gold Endorsement was previously the only option with a price of \$100. It will now cost \$150 due to coverage changes. See chart below. Since the policyholder is now receiving more coverage, there is no rate impact associated with this change.
- The Platinum Endorsement is new and will cost \$225. IRPM & Package Discount Factors will not apply and therefore, this endorsement has been added to the exclusion lists. See chart below.

<b>Coverage</b>	<b>Gold Current Limits *</b>	<b>Gold Proposed Limits *</b>	<b>Platinum Proposed Limits *</b>
Computer Fraud	\$10,000	\$25,000	\$50,000
Business Interruption & extra expense resulting from dependent properties	\$15,000	\$25,000	\$50,000
Outdoor property damage from wind/hail/etc **	Unlimited	Unlimited	Unlimited
Personal Effects of Insured	\$25,000	\$100,000	BPP Limit
Fine Arts (per item/agg limit)	\$5,000 /\$25,000	\$10,000/\$25,000	\$10,000/\$50,000
Money Order & counterfeit paper	\$10,000	\$25,000	BPP Limit
Signs	\$10,000	\$25,000	BPP Limit
Property in Transit (off premises)	\$25,000	\$35,000	\$100,000
Money & securities (on/off premises limit)	\$15,000/\$10,000	\$25,000/\$15,000	\$50,000/\$15,000

\* These limits are inclusive of the limits provided in standard policy

\*\* Listed because limits in standard policy are changing

#### IRPM & Packaging of Coverages

We have condensed these sections of the rate manual on pages CCC-DENTAL-PROPERTY-4 and 5 to state only what is not eligible for the IRPM and Package Discount Factor. Any coverage not mentioned will be eligible. This does not change any coverage eligibility for either the IRPM or Package Discount Factor.

#### Student Dental

It appears that we have not had a student claim in a number of years; therefore, we have decided to decrease the premium for dental students from \$30.00 to \$25.00. Please see Rate Impact Exhibit, Sheet I for State impact. This change is reflected on page CCC-DENTAL-STUDENT-1 of the countrywide manual pages.

#### **Changes to the State Pages:**

There were no changes made to the state exception pages.

A revised version of the countrywide manual pages and state exception pages reflecting the changes outlined above are included with this submission.

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 2/15/2011

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial	0	
2. Automobile Physical Damage Private Passenger Commercial	0	
3. Liability Other Than Auto		
4. Burglary and Theft	0	
5. Glass	0	
6. Fidelity	0	
7. Surety	0	
8. Boiler and Machinery	0	
9. Fire	0	
10. Extended Coverage	0	
11. Inland Marine	0	
12. Homeowners	0	
13. Commercial Multi-Peril	217,400	-5.2%
14. Crop Hail	0	
15. Other <u>Medical Malpractice</u> Line of Insurance	404,004	-0.3%

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The minimum premium was removed, changes were made to the new dentist discount, corporate liability, military leave of absence, and increased/decreased limit factors. These changes are itemized by coverage in the enclosed actuarial memorandum.

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new rates.

Continental Casualty Company

Name of Company

Jean K. Fleischner - VP

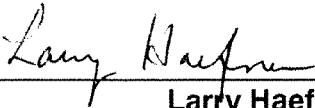
Official – Title

ILLINOIS CERTIFICATION FOR  
MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Larry Haefner, a duly authorized officer of Continental Casualty Company, am authorized to certify on behalf of the company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

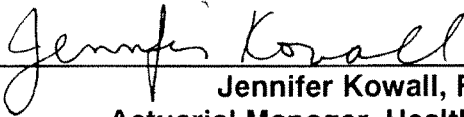
I, Jennifer Kowall, a duly authorized actuary of CNA Insurance Companies, am authorized to certify on behalf of Continental Casualty Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.



**Larry Haefner, FCAS**  
**Chief Actuary**

Signature and Title of Authorized Insurance Company Officer

1-18-11  
Date



**Jennifer Kowall, FCAS**  
**Actuarial Manager, Healthpro pricing**  
Signature and Title of Authorized Actuary

1-18-11  
Date

Insurance Company FEIN 3 6 - 2 1 1 4 5 4 5

Filing Number 10-00113

Insurer's Address CNA Insurance Companies, 333 S. Wabash Ave

City Chicago State IL Zip Code 60604

Contact Person's:

- Name and E-mail Jennifer Kowall Jennifer.Kowall@cna.com

- Direct Telephone and Fax Number 312/822-2188

<i>SERFF Tracking Number:</i>	<i>CNAC-126990757</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>Continental Casualty Company</i>	<i>State Tracking Number:</i>	<i>CNAC-126990757</i>
<i>Company Tracking Number:</i>	<i>10-00113</i>		
<i>TOI:</i>	<i>11.0 Medical Malpractice - Claims</i>	<i>Sub-TOI:</i>	<i>11.0007 Dentists - Oral Surgeons</i>
	<i>Made/Occurrence</i>		
<i>Product Name:</i>	<i>National Dental Program - Rates</i>		
<i>Project Name/Number:</i>	<i>National Dental Program - Rates/10-00113</i>		

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
01/25/2011	Rate and Rule	IL State Pages	03/29/2011	IL State Pages 0309 - Rev 2- currently on file with DOI.pdf (Superceded)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective -1.8%

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial	0	
2. Automobile Physical Damage Private Passenger Commercial	0	
3. Liability Other Than Auto		
4. Burglary and Theft	0	
5. Glass	0	
6. Fidelity	0	
7. Surety	0	
8. Boiler and Machinery	0	
9. Fire	0	
10. Extended Coverage	0	
11. Inland Marine	0	
12. Homeowners	0	
13. Commercial Multi-Peril	217,400	-5.2%
14. Crop Hail	0	
15. Other <u>Medical Malpractice</u> Line of Insurance	404,004	-0.3%

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The minimum premium was removed, changes were made to the new dentist discount, corporate liability, military leave of absence, and increased/decreased limit factors. These changes are itemized by coverage in the enclosed actuarial memorandum.

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new rates.

Continental Casualty Company

Name of Company

Jean Fleischner - VP

Official – Title

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**I. Amended Rules - General**

A. Rule XIII is added:

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and
- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;
- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction

**II. Amended Rules - General Liability (GL)**

Reserved for future use.

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**IV. Amended Rules – Professional Liability (PL)**

- A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

- C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

	<u>Debit</u>
No claims during the experience period:	0%
One claim during the experience period:	
that occurred in the 5 <sup>th</sup> previous year:	5%
that occurred in the 4 <sup>th</sup> previous year:	10%
that occurred in the 3 <sup>rd</sup> previous year:	15%
that occurred in the 2 <sup>nd</sup> previous year:	20%
that occurred in the 1 <sup>st</sup> previous year:	25%
More than one claim during the experience period:	Refer to Company

A claim is defined as paid indemnity or indemnity reserve in excess of \$2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

- B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

- C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

- D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

- E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

- F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

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**V. Territorial Definitions – Professional Liability (PL)**

Territory I: Cook County  
 Territory II: Dupage, Kane, Lake and Will Counties  
 Territory III: Madison County  
 Territory IV: Remainder of State

**VI. Rates – Professional Liability (PL)****A. Professional Liability****Occurrence Rates at \$1M/\$1M Limits**

Class	Terr I	Terr II	Terr III	Terr IV
I	\$3,236	\$2,081	\$2,825	\$1,978
III	17,647	11,350	15,411	10,788
IV	200	200	200	200
IX	11,325	7,284	9,889	6,922
X	22,649	14,566	19,778	13,845

**B. Employment Practices Liability – Defense Only**

The annual charge for this coverage will be \$60 per each named insured having separate \$25,000 limits of liability.

Corporations will share the \$25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the \$60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the \$60 defense charge.

**Employment Practices Liability – Indemnity & Defense**

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

Combined Indemnity & Defense <u>Limit of Liability</u>	<u>Flat Rate for First 10 Employees</u>
\$ 25,000	\$ 235
\$ 50,000	\$ 270
\$ 75,000	\$ 305
\$100,000	\$ 355
\$250,000	\$ 494
\$500,000	\$ 586
\$750,000	\$ 622
\$1,000,000	\$ 657

\$20 per employee over the first 10 employees.

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Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

Bond	Jackson	Marshall	St. Clair
Bureau	Jefferson	Menard	Saline
Christian	Knox	Mercer	Sangamon
Clinton	LaSalle	Montgomery	Tazewell
Douglas	Logan	Peoria	Vermilion
Franklin	McDonough	Perr	Washington
Fulton	Macoupin	Putnam	Williamson
Gallatin	Madison	Randolph	
Grundy	Marion	Rock Island	

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

- a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;
- b. Coverage for Time element loss;
- c. Limits of Liability in excess of \$350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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## 3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

<u>Coverage Limit</u>	<u>Frame</u>	<u>Other than Frame*</u>
\$10,000 or less	\$20.00	\$26.00
10,001 to 20,000	23.00	30.00
20,001 to 30,000	26.00	33.00
30,001 to 40,000	30.00	36.00
40,001 to 50,000	33.00	40.00
50,001 to 60,000	36.00	43.00
60,001 to 70,000	40.00	46.00
70,001 to 80,000	43.00	50.00
80,001 to 90,000	46.00	53.00
90,001 to 100,000	50.00	56.00
100,001 to 110,000	53.00	59.00
110,001 to 120,000	56.00	63.00
120,001 to 130,000	59.00	66.00
130,001 to 140,000	63.00	69.00
140,001 to 150,000	66.00	73.00
150,001 to 160,000	69.00	76.00
160,001 to 170,000	73.00	79.00
170,001 to 180,000	76.00	83.00
180,001 to 190,000	79.00	86.00
190,001 to 200,000	83.00	89.00
200,001 to 210,000	86.00	92.00
210,001 to 220,000	89.00	96.00
220,001 to 230,000	92.00	99.00
230,001 to 240,000	96.00	102.00
240,001 to 250,000	99.00	106.00
250,001 to 260,000	102.00	109.00
260,001 to 270,000	106.00	112.00
270,001 to 280,000	109.00	116.00
280,001 to 290,000	112.00	119.00
290,001 to 300,000	116.00	122.00
300,001 to 310,000	119.00	125.00
310,001 to 320,000	122.00	129.00
320,001 to 330,000	125.00	132.00
330,001 to 340,000	129.00	135.00
340,001 to 350,000	132.00	139.00

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

\* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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- B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

- C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

**VIII. Territorial Definitions – Property**

Territory I: 606XX (Chicago)  
Territory II: 607XX (Chicago - South Suburban)  
Territory III: 600XX - 604XX (Chicago North and West Suburban)  
Territory IV: 620XX and 622XX (East St. Louis)  
Territory V: 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois)  
Territory VI: Remainder of State

**IX. Rates - Property**

- A. Blanket Practice Personal Property:

Construction (Code)	TER I	TER II	TER III	TER IV	TER V	TER VI
Frame (1)	0.419	0.374	0.396	0.374	0.351	0.396
Joisted Masonry (2)	0.351	0.309	0.330	0.309	0.296	0.330
Non-Comb (3) or Masonry						
Non-Comb (4)	0.210	0.186	0.198	0.186	0.176	0.198
Mod Fire Res (5) or Fire Res (6)	0.210	0.186	0.198	0.186	0.176	0.198

- B. Building:

Construction (Code)	TER I	TER II	TER III	TER IV	TER V	TER VI
Frame (1)	0.165	0.149	0.157	0.149	0.140	0.157
Joisted Masonry (2)	0.140	0.124	0.132	0.124	0.116	0.132
Non-Comb (3) or Masonry						
Non-Comb (4)	0.083	0.075	0.083	0.075	0.066	0.083
Mod Fire Res (5) or Fire Res (6)	0.083	0.075	0.083	0.075	0.066	0.083

Note: For statistical reporting purposes, the protection class code must be included in the application.

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C. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of \$65 per policy.

**X. Package Discount Factors**

A. Property and General Liability: 0.89  
Professional Liability: 0.86

B. This factor is not applicable to:

1. Mine Subsidence
2. Base Loading for Building and Blanket Practice Personal Property

**XI. Protection Class Multipliers**

Protection Class	Multiplier
1	0.830
2	0.850
3	0.870
4	0.950
5	1.000
6	1.030
7	1.200
8	1.310
9	1.400
10	2.080